GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:2723
ANSWERED ON:02.08.2016
Lower Procurement Price
Kharge Shri Mallikarjun

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether due to lower procurement price for foodgrains under MSP the farmers were forced to sell their produce to private agencies during the last two years;

(b) if so, the details thereof;

(c) whether the Government proposes to increase the procurement with MSP at par with the price of foodgrains sold in the open market so as to provide benefit to the farmers; and

(d) if so, the details thereof and the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) to (d): Government fixes Minimum Support Prices (MSPs) of various crops based on the recommendations of the Commission for Agricultural Costs & Prices (CACP), views of concerned State Governments and Central Ministries/Departments and other relevant factors.

The objective of the MSP is to ensure remunerative prices to farmers. However farmers are free to sell their produce to Government procurement agencies at MSP or in the open market as is advantageous to them.

Procurement of rice and wheat by Government during last three marketing seasons at MSP are given in the table below:

Table 1: Procurement of Rice
Kharif Marketing Season (Oct.-Sept.)
Year 2013-14 2014-15 2015-16*
Quantity (million tonnes) 31.85 32.04 34.05
*(as on 01.7.2016)

Contdâ€¦2/-

Table 2: Procurement of Wheat
Rabi Marketing Season (April - March)
Year 2014-15 2015-16 2016-17^
Quantity (million tonnes) 28.02 28.08 22.93
^(as on 01.7.2016)

In addition, the Government has initiated several measures to ensure better price realization by the farmers for their produce such as National Agriculture Market through Agri-Tech Infrastructure Fund (A-ITF) which provides for a pan-India electronic trading portal to create a unified national market for agricultural commodities. States/UTs have been advised to amend their respective State APMC Acts on the lines of Model Act, 2003. The Model Act provides for direct marketing, contract farming, farmers/consumers markets, setting up of markets in private and cooperative sectors etc.

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